THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM): (a) and (b) The Reserve Bank of India (RBI) has taken a number of measures to anchor inflationary exceptions. With the objective of draining out excess liquidity and improving the efficacy of interest rate signals, RBI, on March 30, 2007 announced a hike in the fixed repo rate under Liquidity Adjustment Facility (LAF) by 25 basis points to 7.75 per cent effective March 31, 2007. The Cash Reserve Ratio (CRR) was increased 25 basis points on March 3, 2007. The CRR was further increased by 50 basis points in two stages of 25 basis points each, effective from fortnights beginning April 14 and April 28 2007 to reach 6.5 per cent. To mop up excess liquidity, the ceiling for the outstanding under Market Stabilisation Scheme (MSS) for the year 2007-08 was revised from Rs. 80,000 crore to Rs. 95,000 crore on April 24, 2007 and further to Rs. 1,10,000 crore effective April 27, 2007.

(c) Factors affecting inflation emanate from demand and supply sides. Monetary policy has a cumulative and lagged effect on aggregate demand. Inflation, measured by variations in the wholesale price index (WPI) on a year-on-year basis, increased from 4.1 per cent at end-march 2006 to an intra-year peak of 6.7 per cent in end-January 2007 and remained firm in the range of 6.0—6.6 per cent in the succeeding weeks before moderating to 5.7 per cent on march 31, 2007. As on April 21, 2007 inflation rate was 5.8 per cent on a year-on-year basis.

WRITTEN ANSWERS TO UNSTARRED QUESTIONS

Modernization of Non-Metro Airports

3502. SHRI AMAR SINGH:
SHRI ABU ASIM AZMI:

Will the Minister of CIVIL AVIATION be pleased to state:

(a) whether Government have decided to modernize the clusters of non-metro airports through private companies;

(b) if so, the details thereof, including the names of the airports which are proposed to be modernized; and

(c) what are the names of companies which have been short-listed for this purpose, including the details of the bids offered by each?

THE MINISTER OF STATE OF THE MINISTRY OF CIVIL AVIATION (SHRI PRAFUL PATEL): (a) No, Sir. Government have decided that Airports Authority of India (AAI) would undertake the development and modernisation of selected 35 non-Metro airports, including Terminal Buildings. The city side development of select airports from amongst these 35 non-Metro airports will be taken up in the Public Private Partnership (PPP) mode.

(b) and (c) Do not arise.

Expansion and modernisation of airports in Tamil Nadu

3503. SHRI B.S. GNANADESIKAN: Will the Minister of CIVIL AVIATION be pleased to state:

(a) whether the State Government of Tamil Nadu had requested the Ministry to expand airports at Coimbatore, Trichy, Madurai and Tuticorin and also requested for modernization of Madurai and Trichy airports;

(b) if so, the steps taken by the Ministry in this regard;

(c) whether speedy action will be taken to expand and modernize the Madurai airport with international connectivity; and

(d) if so, the time-frame by which the said modernization will take place?

THE MINISTER OF STATE OF THE MINISTRY OF CIVIL AVIATION (SHRI PRAFUL PATEL): (a) and (b) Yes, Sir. The steps taken are as follows:

At Coimbatore works related to extension and strengthening of runways, expansion and strengthening of apron, expansion and modification of terminal building with all modern facilities including two aero-bridges have been taken up. At Tiruchipalli airport the work related to extension and strengthening of runway, construction of new integrated building with all modern facilities including two aero-bridges has been taken up. At Madurai airport extension of runway alongwith expansion of apron, construction of new fire station, construction of new integrated terminal complex with all modern facilities including two aero-bridges have been taken up. At Tuticorin airport the facilities are presently suitable for the operation of ATR-72